

Press Release

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Jharkhand must plan for a just transition of the coal mining areas to avoid socio-economic disruption, says the first study on Just Transition in India's coal mining areas, released by iFOREST.

- The book — *Just Transition in India: An inquiry into the challenges and opportunities for a post-coal future* — highlights why coal dependent states like Jharkhand must start planning for just transition of the coal mining districts to avoid socio-economic disruptions due to coal phase-out over the next 2-3 decades.
- To stay within 1.5°C temperature rise, coal-based power plants must be phased out by 2050, recommends IPCC.
- Rapidly decreasing renewable energy costs and increasing costs of power from thermal power plants, including pollution control costs, is already making coal-based power uncompetitive. The share of coal power in electricity generation will reduce significantly over the next decade, reducing the demand for coal mining.
- Coal mines are increasingly becoming unprofitable and are being closed; in Jharkhand, 50% of mines are closed and half of the operational mines are unprofitable. Most of the mines are being closed without proper mine closure and plans for the mining areas' socio-economic transition.
- In Ramgarh district, where a detailed study was done by iFOREST, half of the mines are closed, and two-thirds of the operational mines are unprofitable. The existing mines in Ramgarh will be phased-out in the next 10-20 years, leaving the district highly vulnerable to economic disruption.
- India's strides in the energy transition, therefore, must be matched by a plan for a just transition to ensure that people and industries dependent on coal mining do not suffer.
- Just transition is gaining momentum worldwide. The 2015 Paris Agreement has made it an important part of climate change mitigation. India can take a leadership role and commit to climate action by developing a policy and roadmap for just transition.

New Delhi/Ranchi, November 24, 2020: International Forum for Environment, Sustainability & Technology (iFOREST), the New Delhi based environmental non-profit, has published the first on-ground study to understand what Just Transition means for India. The study details the risks and opportunities of coal phase-out and proposes a policy and planning framework for just transition, based on an in-depth survey of Ramgarh district of Jharkhand, a top coal-producing district.

The book — *Just Transition in India: An inquiry into the challenges and opportunities for a post-coal future* — was released by Shri Hemant Soren, Chief Minister of Jharkhand, at an online public event today. Renowned scientist Shri Raghunath Anant Mashelkar was the special guest at the inaugural session.

Speaking at the occasion of the book launch, Shri Hemant Soren, Chief Minister of Jharkhand, said, "We are mindful that coal will reduce over time, and therefore we have to plan for a post-coal future. As Jharkhand is rich in other natural resources, we are diversifying our economy and promoting tourism, forestry, agro-based industries, and the service sectors. Just Transition is a good planning framework for the state government to consider. I want to congratulate iFOREST for bringing out such an important report".

Speaking at the event, Chandra Bhushan, iFOREST President & CEO, said that "Just Transition is an imperative for India as we have only 20-30 years to phase-out coal-based power to avoid catastrophic impacts of climate change. This is a very short time to transform coal mining areas and coal-dependent industries. If we do not start planning for a post-coal future now, our coal-dependent regions will face major economic and social disruptions in the coming years."

Just Transition was included in the Paris Climate Agreement in 2015 to ensure that the workers and the local communities dependent on fossil fuels like coal do not suffer due to the phase-out of coal to meet the climate change goals. Therefore, the basic idea of just transition is to ensure decent work opportunities and social support systems for the people whose livelihood is likely to be affected by the energy transition.

India has so far not engaged nationally or internationally on coal phase-out and just transition because of the country's high dependence on coal for energy security and industrial growth. But coal is rapidly losing its cost advantage to renewables, and the supply of affordable 24x7 electricity from solar and wind with battery storage is becoming a reality. In such a situation, coal consumption in the country is projected to peak by 2030 and then start reducing. This will have a significant bearing on coal mining areas as coal mines will shut down, reducing jobs and income.

But coal mines are already being shut down in an unplanned fashion due to various factors, including unprofitability. As the iFOREST study points out, in Jharkhand, 50% of mines are closed, and half of the operational mines are unprofitable. Most of the mines have been closed without proper mine closure and plans for the mining areas' socio-economic transition. The situation in Ramgarh district, which the book captures in detail, illustrates why just transition is not a consideration for the future; instead, it is a challenge of the present.

Ramgarh is one of Jharkhand's top coal-producing districts, but its mining activities are shrinking, shows the study. About 50% of mines are closed, and two-thirds of the operational mines are unprofitable. Besides, Ramgarh is an aspirational district with poor socio-economic indicators. "The situation becomes alarming when we look at the economic dependence of the district on coal. Coal mining and coal-dependent industries contribute about 40% of the district's GDP. Moreover, one-fourth of the households depend directly on the coal industry for income, most of them being informal workers. Without planning for a Just Transition, the district is already suffering and will suffer immensely in the coming years," said Shruti Agarwal, Programme Associate, iFOREST.

The key findings that have emerged from the survey of Ramgarh are as follows:

1. While there is high dependence on coal for income, this is largely informal with low income. Nearly 70% of households that derive an income from coal earn between Rs 6,000- 10,000 per month and are mostly coal gatherers and sellers. Only 7% of the households had a member formally working with coal companies or coal-dependent industries. Also, formal jobs in coal mining is shrinking fast.
2. Dependence of people on coal mining is highly concentrated near the mines, and has created pockets of affluence in these areas. People living more than 10 km away from mines are less dependent on coal mines.
3. Coal mining has not benefitted the region in terms of social and physical infrastructure. The district fairs poorly in terms of healthcare, education and access to basic amenities such as clean drinking water. It has thus been taken up for targeted intervention under NITI Aayog's aspirational districts programme.
4. Finally, a focus on coal mining and related industry has stymied the development of other sectors. In Ramgarh, sectors like agriculture, forestry, fisheries and service sectors have suffered from this undue focus. This has created an overwhelming 'perception' among people that without coal mines they will suffer.

"People in the coal mining areas have been burdened by poverty and under-development for decades. Just transition is an opportunity to reverse this. These districts suffered due to coal mining and are now suffering because of its unplanned closure. However, experiences from around the world show that just transition can be a win-win for the environment and the economy if it is planned and managed well," said Srestha Banerjee, Programme Lead, iFOREST.

The book highlights the need for the Centre and the State governments to work together to develop just transition policies and plans and mobilize financial resources. It also recommends that India take a leadership role in building an international coalition to support just transition in developing countries.

"By putting just transition at the center of its climate mitigation plan, India can send a strong signal to the world that it is willing to play a leadership role in climate change. Just transition will not only help India push for global collective action, but it will also help build a sustainable and resilient economy in the coal-dependent regions", said Chandra Bhushan. "Coal mines should be closed in a planned fashion so that India's energy security is not affected, climate goals are met, and the local communities benefit from a just transition," he added.

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